

# COMMITTEE REPORT

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## MADAM PRESIDENT:

The Senate Committee on Finance, to which was referred House Bill No. 1273, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1        Replace the effective date in SECTION 8 with "[EFFECTIVE APRIL
- 2        1, 2004]".
- 3        Page 5, line 14, delete "July" and insert "**October**".
- 4        Page 5, line 23, delete "Thirty-five" and insert "**Twenty-five**".
- 5        Page 5, line 24, delete "(35%)" and insert "**(25%)**".
- 6        Page 5, line 36, delete "Sixty-five percent (65%)" and insert
- 7        "**Seventy-five percent (75%)**".
- 8        Page 5, line 37, delete "auditor of state from the" and insert "**state**".
- 9        Page 5, line 38, delete "appropriation made under subsection (p)".
- 10       Page 6, line 32, after "who" insert ",
- 11       Page 7, line 9, delete "auditor of" and insert "**budget agency**".
- 12       Page 7, line 10, delete "state".
- 13       Page 7, line 10, delete "sixty-five percent (65%)" and insert
- 14       "**seventy-five percent (75%)**".
- 15       Page 7, delete lines 12 through 14.
- 16       Page 7, line 18, delete "July" and insert "**October**".
- 17       Page 8, line 11, delete "in each calendar" and insert "**for each**
- 18       **taxable year beginning after December 31, 2006,**".
- 19       Page 8, line 12, delete "year beginning January 1, 2005,".

1 Page 8, line 19, delete "calendar" and insert "**taxable**".

2 Page 8, between lines 19 and 20, begin a new paragraph and insert:

3 **"(c) The total amount of credits taken by a member under this**  
 4 **section in all taxable years may not exceed the total amount of**  
 5 **assessments paid by the member before January 1, 2005, minus**  
 6 **the total amount of tax credits taken by the member under**  
 7 **section 2.1 of this chapter (as in effect December 31, 2004) before**  
 8 **January 1, 2005."**

9 Page 8, line 31, after "If a" insert ":

10 **(1)".**

11 Page 8, line 32, delete "association," and insert "**association; or**  
 12 **(2) health care provider is aggrieved by an act of the**  
 13 **association with respect to reimbursement to the provider**  
 14 **under an association policy;"**.

15 Page 8, line 32, beginning with "the member" begin a new line  
 16 blocked left.

17 Page 8, line 32, after "member" insert "**or health care provider**".

18 Page 8, line 39, after "member" insert "**or health care provider**".

19 Page 8, line 41, after "member" insert "**or health care provider**".

20 Page 9, line 10, after "member" insert "**or health care provider**".

21 Page 9, line 11, delete ":" and insert "**or health care provider:**".

22 Page 9, line 20, delete "may" and insert "**must**".

23 Page 9, line 21, delete "the association's" and insert "**one (1) or any**  
 24 **combination of the following reimbursement methods, as**  
 25 **determined by the board of directors:**

26 **(1) The association's usual and customary fee schedule in**  
 27 **effect on January 1, 2004. If payment is based on the usual**  
 28 **and customary fee schedule in effect on January 1, 2004, the**  
 29 **rates of reimbursement under the fee schedule must be**  
 30 **adjusted annually by a percentage equal to the percentage**  
 31 **change in the Indiana medical care component of the**  
 32 **Consumer Price Index for all Urban Consumers, as published**  
 33 **by the United States Bureau of Labor Statistics during the**  
 34 **preceding calendar year.**

35 **(2) A health care provider network arrangement. If payment**  
 36 **is based on a health care provider network arrangement,**  
 37 **reimbursement under an association policy must be made**  
 38 **according to:**

39 **(A) a network fee schedule for network health care**

providers and nonnetwork health care providers; and

(B) any additional coinsurance that applies to the insured under the association policy if the insured obtains health care services from a nonnetwork health care provider.

(3) A fee schedule not described in subdivision (1) or (2). If payment is based on a fee schedule not described in subdivision (1) or (2), a health care provider must be reimbursed for medically necessary eligible expenses at a rate equal to the Medicare reimbursement rate for the eligible expenses plus eight and one-half percent (8.5%)."

Page 9, line 21, strike "usual and customary".

Page 9, line 21, delete "fee schedule".

Page 9, line 21, strike "or".

Page 9, line 22, delete "another".

Page 9, line 22, strike "reimbursement".

Page 9, line 27, delete "method or combination of reimbursement methods".

Page 9, delete lines 28 through 32.

Page 9, line 33, delete "one-half percent (8.5%).".

Page 9, line 33, after "(8.5%).". begin a new paragraph and insert:

"(b)".

Page 10, line 37, strike "(b)" and insert "(c)".

Page 11, line 4, strike "(c)" and insert "(d)".

Page 11, line 9, strike "(d)" and insert "(e)".

Page 11, line 12, strike "(e)" and insert "(f)".

Page 11, line 41, strike "(f)" and insert "(g)".

Page 12, line 3, strike "(g)" and insert "(h)".

Page 12, line 7, strike "(h)" and insert "(i)".

Page 13, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 11. [EFFECTIVE JANUARY 1, 2005] **The amounts certified to the budget agency under IC 27-8-10-2.1(o), as amended by this act, beginning January 1, 2005, and ending June 30, 2005, are appropriated to the budget agency for its use in making the**

- 1        **payments required by IC 27-8-10-2.1(g), as amended by this act,**
- 2        **beginning January 1, 2005, and ending June 30, 2005."**
- 3        Renumber all SECTIONS consecutively.  
          (Reference is to HB 1273 as printed January 30, 2004.)

**and when so amended that said bill do pass .**

Committee Vote: Yeas 14, Nays 0.

**Senator Borst, Chairperson**